Water: The more you use, the more you'll have to pay

By Phoebe Sweet April 8, 2008 Las Vegas (Nevada) Sun

LAS VEGAS—In a region increasingly plagued by drought and water shortages, conserving water has become not only a virtue but the standard.

How to get Clark County water users to live up to that standard isn't entirely clear. That's why in addition to mandatory watering days, ordinances banning front lawns in some new neighborhoods and successful grass buyback programs, the county's largest water district is adopting "conservation pricing." The concept is simple: If you want people to use less water, make it more expensive, especially for those who use the most.

The tricky part is how much to raise the price and for whom. After studying different ways to motivate customers to conserve, the Las Vegas Valley Water District, which serves 340,000 accounts and about 1.2 million people in Las Vegas and unincorporated Clark County, is raising its rates, in total, by 23 percent. The increase, which is really a variety of increases in a tiered system, is set to be approved for a second time April 15 and will likely show up on May bills.

District officials, as well as the 14 citizens and businesspeople who spent three months last year considering various pricing possibilities, say the new rates, coupled with other conservation programs and advertising, should make the district's customers more "watertight" — but not too watertight.

The monthly bill of the median residential customer is to increase by \$3.09 from \$17.72 to \$20.81 or by \$5.05 from \$22.89 to \$27.94, depending on the size of the home's water meter. Those customers use, on average, 8,700 to 12,000 gallons of water per month. Residential customers who use relatively little water will see their bills increase about \$2.50, while customers with above-average water use could see their bills increase by as much as \$11.

So for heavy residential users, the monthly increase is equivalent to the cost of three gallons of gas. Seems like a higher cost would be needed to get a drastic reduction in water use, right? There's the rub: The water district doesn't want too drastic a reduction because that would also mean a drastic reduction in its revenue. In addition to encouraging conservation, the rate increases also are expected to result in a revenue increase for the district, officials said. When the rate committee was meeting last fall, there was a lot of talk about avoiding increases that would cause massive reductions in water use — because of the effect that would have on the water district's bottom line.